

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Handlooms and Textiles Department - Sanction of an amount of Rs.2.89 crores as loan and Rs.60.00 lakhs as loan to the Peddaputta Handloom Weavers Co-operative Production and Sales Society Ltd., Peddaputta, Kadapa District and the Chintakomma Dinne Handloom Weavers Co-operative Production and Sales Society Ltd., Asethugaripalli (V) C.K.Dinne (M), Kadapa District respectively towards Margin Money under National Co-operative Development Corporation - Orders - Issued.

INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Rt.No. 324

Dated 10 -6- 2009
Read the following:-

1. From the DH&T, Hyderabad, Lr.Rc.No.9624/2008-K2,dt.16-10-2008.
2. Govt. Letter No.9191/Tex.2/2008-3. dated : 08-12-2008.
3. From the Managing Director, NCDC (Handloom Division), New Delhi, Lr.No. 4-12/2008-Text (HLM)/377 (S080241),dt. 18-02-2009.
4. From the Managing Director, NCDC (Handloom Division), New Delhi, Lr.No. 4-13/2008-Text (HLM)/376 (S080240),dt. 18-02-2009.
5. From the President, the Peddaputta Handloom Weavers Co-operative Production and Sales Society Ltd., Peddaputta, Kadapa District, Ref. No. Peddaputta/Margin Money Loan/2008-09, dt.20-2-2009.
6. From the President, Chintakomma Dinne Handloom Weavers Co-operative Production and Sales Society Ltd., Asethugaripalli (V) C.K.Dinne (M), Kadapa District, Ref No.C.K.Dinne/Margin Money Loan/2008-09, dated 20-02-2009.
7. From the DH&T, Hyderabad, Lr.Rc.No.9624/2008-K2, dt.24-02-2009.
8. From the DH&T, Hyderabad, Lr.Rc.No.9624/2008-K2,dt. 24-02-2009.
9. From the President, the Peddaputta Handloom Weavers Co-operative Production and Sales Society Ltd., Peddaputta, Kadapa District, representation, dated nil.
10. From the President, Chintakomma Dinne Handloom Weavers Co-operative Production and Sales Society Ltd., Asethugaripalli (V) C.K.Dinne (M), Kadapa District, dated nil.
11. G.O.Rt.No.2493, Finance (Exp. I&C) Department,dt.25-05-2009.

ORDER

In the reference 2nd read above, Government have forwarded the loan applications of the two societies namely, 1) Peddaputta Handloom Weavers Co-operative Production and Sales Society Ltd., Peddaputta, Kadapa District for an amount of Rs.289.00 lakhs and 2) Chintakomma Dinne Handloom Weavers Co-operative Production and Sales Society Ltd., Asethugaripalli (V) C.K.Dinne (M), Kadapa District for an amount of Rs.180.00 lakhs, to the National Co-operative Development Corporation, New Delhi for sanction of Margin Money assistance towards working capital to provide continuous work to the members of the said societies.

2. In the references 3rd & 4th read above the Managing Director, National Co-operative Development Corporation, New Delhi has conveyed for sanction of Rs.289.00 lakhs as loan to the Government of Andhra Pradesh towards Margin Money assistance to Peddaputta Handloom Weavers Co-operative Production and Sales Society Ltd., Peddaputta, Kadapa District Andhra Pradesh and conveyed for sanction of Rs.60.00 lakhs comprising of Rs.48.00 lakhs as loan and Rs.12.00 lakhs as subsidy (subject to availability of subsidy from Government of India) to the

Government of Andhra Pradesh towards Margin Money assistance to Chintakomma Dinne Handloom Weavers Co-operative Production and Sales Society Ltd., Asethugaripalli (V) C.K.Dinne (M), Kadapa District. The State Government shall provide NCDC's loan assistance to the society in the form of share capital or loan. The assistance will be released by the National Co-operative Development Corporation to the State Government on reimbursement basis i.e., the State Government will first release the amount sanctioned to the said societies and thereafter claim reimbursement from the Corporation.

3. The assistance of Rs.289.00 lakhs and Rs.60.00 lakhs sanctioned above are subject to the following conditions:-

- (i) that the societies shall furnish to the Corporation such returns, statements of accounts and other information, as may be prescribed or called for by the Corporation from time to time;
- (ii) that the societies shall allow and afford facilities to the officers of the Corporation or any other person or persons nominated by it in this behalf to verify and inspect its books of accounts and other records; and
- (iii) that the societies shall make arrangements to the satisfaction of the Corporation for the appointment of suitable administrative and technical / senior personnel for the business of the society.

4. The Managing Director, National Co-operative Development Corporation, New Delhi has stated that the period of loan to State Government will be for 5 years. There will be no moratorium on repayment of loan and payment of interest. The repayment of loan assistance will commence from the 1st anniversary of the deemed date of drawal of loan along with interest at the prescribed rate prevailing at the time of 1st release of assistance.

5. The National Co-operative Development Corporation, has further stated that the loan shall carry rate of interest prevailing at the time of release of funds which will be a floating rate linked with State Bank Advance Rate. Existing effective floating rate of interest is 11.00% p.a. (linked with present State Bank Advance Rate of 12.25%) Effective rate of interest shall be applicable in case payment of interest is made on or before due date, normal rate of interest, which is 1% higher than effective rate shall be applicable. Further, in case of default in payment of instalment, penal interest @ 2.5% over and above the normal rate of interest shall be charged on the defaulted instalment for the period of delay. The other terms and conditions of the Corporation shall be according to NCDC Ir.No. NCDC : 1-1/84-Budt, dated 15.10.1984 and No. NCDC : 1-1/90 -Budt, dated 1.1.2009 and as amended from time to time.

6. The Corporation reserves the right to foreclose and recover the loan assistance from the State Government if :-

- (i) it is not utilized for the purpose for which it has been sanctioned;
- (ii) the societies fails to furnish the returns, statements of accounts and other information as may be prescribed or called for by the Corporation from time to time; and
- (iii) if any of the other conditions are not fulfilled.

7. The sanction is valid up to 28.2.2010 by which date the State Government shall provide full assistance to the Societies and claim reimbursement from the National Co-operative Development Corporation.

8. In the reference 7th & 8th read above, the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has stated that the Presidents of the Peddaputta Handloom Weavers Co-operative Production and Sales Society Ltd., Peddaputta, Kadapa District and

Chintakomma Dinne Handloom Weavers Co-operative Production and Sales Society Ltd., Asethugaripalli (V) C.K.Dinne (M), Kadapa District have requested for early release of funds to them. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has requested the Government to sanction and release an amount of Rs.289.00 lakhs as loan to the Peddaputta Handloom Weavers Co-operative Production and Sales Society Ltd., Peddaputta, Kadapa District and Rs.60.00 lakhs comprising of Rs.48.00 lakhs as loan and Rs.12.00 lakhs as subsidy to the Chintakomma Dinne Handloom Weavers Co-operative Production and Sales Society Ltd., Asethugaripalli (V) C.K.Dinne (M), Kadapa District under National Co-operative Development Corporation scheme of assistance for the year 2008-09 as per the terms of NCDC sanction letter.

9. In the reference 11th read above, the Finance (Exp.I&C) Department have issued Budget Release Order for an amount of Rs.349.00 lakhs as loan towards Margin Money Assistance (Rs.289.00 lakhs to Peddaputta Handloom Weavers Co-operative Production and Sales Society Ltd., Peddaputta and Rs.60.00 lakhs as loan to Chintakommadinne Handloom Weavers Co-operative Production and Sales Society Ltd., Kadapa District), in relaxation of treasury control orders, as additional amount pending provision in final budget 2009-10.

10. After careful examination, Government have decided to sanction an amount of Rs.289.00 lakhs (Rupees two hundred and eighty nine lakhs only) as loan towards Margin Money assistance to Peddaputta Handloom Weavers Co-operative Production and Sales Society Ltd., Peddaputta, Kadapa District and also an amount of Rs.60.00 lakhs (Rupees sixty lakhs only) as loan towards Margin Money assistance to Chintakomma Dinne Handloom Weavers Co-operative Production and Sales Society Ltd., Asethugaripalli (V) C.K.Dinne (M), Kadapa District in relaxation of treasury control orders as additional amount pending provision of funds in final budget 2009-10, which will be reimbursed by National Co-operative Development Corporation.

11. Accordingly, Government hereby accord sanction an amount of Rs.289.00 lakhs (Rupees two hundred and eighty nine lakhs only) as loan towards Margin Money assistance to Peddaputta Handloom Weavers Co-operative Production and Sales Society Ltd., Peddaputta, Kadapa District and also an amount of Rs.60.00 lakhs (Rupees sixty lakhs only) as loan towards Margin Money assistance to Chintakomma Dinne Handloom Weavers Co-operative Production and Sales Society Ltd., Asethugaripalli (V) C.K.Dinne (M), Kadapa District in relaxation of treasury control orders as additional amount pending provision of funds in final budget 2009-10, which will be reimbursed by National Co-operative Development Corporation.

12. The expenditure sanctioned above shall be subject to the conditions stipulated by the National Co-operative Development Corporation , New Delhi as mentioned in para 3 above.

13. The expenditure of loan amount of Rs.349.00 lakhs shall be debited to the following Head of Account:-

6860 – Loans for consumer industries
01 – Textiles –
101 – Loans to Co-operative Spinning Mills
GH (10) – Centrally Sponsored Schemes
SH (05) – 001 - Margin Money to Cooperative Spinning Mills
(to be opened) .

and shall be incurred in relaxation of treasury control orders as additional amount pending provision of funds in final budget 2009-10.

14. The Deputy Secretary to Government, Finance (DMC) Department. Andhra Pradesh Secretariat, Hyderabad is authorized to draw the sanctioned loan amount of Rs.349.00 lakhs by way of cheques in favour of Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad is requested to disburse the same directly by way of cheques to the Presidents of the Peddaputta Handloom Weavers Co-operative Production and Sales Society Ltd., Peddaputta, Kadapa District and Chintakomma Dinne Handloom Weavers Co-operative Production and Sales Society Ltd., Asethugaripalli (V) C.K.Dinne (M), Kadapa District respectively. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation, (T-Textile), New Delhi.

15. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad and Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad are requested to deduct the loan instalment amount sanctioned from the concerned societies and to remit the same to the State Government Account on the due dates under intimation to the National Co-operative Development Corporation, New Delhi.

16. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad is requested to make necessary provision for the amount in the final budget 2009-10.

17. This order issues with the concurrence of Finance (Exp.I&C) Department, vide their U.O.No.5224 / 224 /Expr.I&C/09, dated 25 -05 -2009 and vide Budget Release Order in G.O.Rt.No.2493, Finance (Exp. I&C) Department, dt.25-05-2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Y.SRILAKSHMI,
SECRETARY TO GOVERNMENT.

To
The Director of Handlooms and Textiles and Development
Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad
The concerned societies.
The Accountant General A.P., Hyderabad.
The Pay and Accounts Officer, Hyderabad
The Director of Treasuries of Accounts, A.P., Hyderabad.
The Managing Director, National Co-operative Development Corporation (NCDC),
4, Siri Institutional Area, Hauz Khas, New Delhi.
The Deputy Secretary to Government, Finance (DMC) Department.
Copy to:
The Chief Director,
National Co-operative Development Corporation,
2nd Floor, HACA Bhavan, Opp. Public Gardens, Hyderabad.
The Finance (Exp.I&C)/ (BG) Department
The Additional .Secretary to Chief Minister.
The P.S. to Minister for Handlooms and Textiles.
The P.S to Minister for Finance.
The P.S. to Secretary to Government, Industries and Commerce Department.
The Industries and Commerce (L&B) Department.
Stock File/Spare Copies.

// FORWARDED BY: ORDER//

SECTION OFFICER.